



Boston Edison

D/B/A **NSTAR Electric**

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November 2, 2000

Hand Delivered

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: D.T.E. 00-82
Boston Edison Company
2000 Reconciliation Filing

Dear Secretary Cottrell:

In accordance with the Restructuring Settlement Agreement (the “Restructuring Settlement”) approved by the Department of Telecommunications and Energy (the “Department”) in Boston Edison Company, D.P.U./D.T.E. 96-23 (1998), Boston Edison Company (“Boston Edison” or the “Company”) hereby submits an original and nine (9) copies of its 2000 Reconciliation Filing. Included with this filing is a reconciliation of 1999 Transition, Transmission, Standard Offer and Default Service costs and revenues along with proposed updated charges and tariffs to be effective January 1, 2001.

The primary changes in rates included with this filing are as follows. The proposed Transition Charge for 2001 is reduced to an average rate of 1.397 cents per kilowatt-hour (“kWh”) from the rate of 1.891 cents per kWh in effect for 2000. The proposed Transmission Charge for 2001 increases to an average rate of 0.538 cents per kWh. The Standard Offer Charge increases to a total rate of 4.902 cents per kWh, consisting of 3.8 cents per kWh as the base charge and a surcharge of 1.102 cents per kWh. A Default Service Adjustment Charge is included of 0.363 cents per kWh. Finally, the statutory rates for Energy Efficiency of 0.270 cents per kWh and Renewables of 0.100 cents per kWh are also implemented.

This filing substantially follows the methodology set forth in the Restructuring Settlement and as filed in the Company's two previous annual true-up filings in D.T.E. 98-111 and D.T.E. 99-107. As described in the accompanying testimony there are, however, several changes or enhancements which should be noted.

With respect to the Transition Charge, the Company has proposed to refine the method of reconciling Transition Charge revenues to a method based upon actual revenues received rather than upon kWh sales times an average rate. The Company has also provided updated sales forecasts and market or transfer price projections for use in establishing the Transition Charge for 2001 (and projecting the Transition Charge for future years). These updates more accurately portray projected Transition Charge revenues and projected transition costs.

With respect to Standard Offer and Default Service, there are several changes from last year's filing that should be noted. Pursuant to the Department's Orders in Docket D.T.E. 99-60, it is expected that Default Service will henceforth be the subject of separate filings addressing necessary tariff changes and periodic adjustments to the Default Service rates based upon market prices. This filing also includes the initial implementation of the Default Service Adjustment tariff, which provides for the reconciliation of Default Service costs and revenues and will permit the recovery of the substantial accumulated Default Service deferred balance. For Standard Offer Service, this filing will continue to implement both the base Standard Offer charge set forth in the Restructuring Settlement and the surcharge provisions addressing the recovery of prior deferred balances. However, this filing does not address the Standard Offer Fuel Index, which is now being addressed, and in the future will be addressed, in separate proceedings. See Boston Edison Company, et al., D.T.E. 00-70. Finally, this filing continues to provide updates and reconciliations, as appropriate, of other charges including the Transmission Charge and the charges for Energy Efficiency and Renewables.

Consistent with the timing set forth in the Restructuring Settlement, this filing includes final reconciliations based upon actual data for 1999 and includes part-actual/part-forecast data for 2000. The Company proposes to update this filing in the spring of 2001, to provide year-end data and to allow a final reconciliation for 2000. Thus, the Company proposes that this proceeding address final reconciliations for both 1999 and 2000. Future years' filings would then employ the same timing of annual filings in November followed by an update the following spring, so that the reconciliation could be finalized for the most recent, completed calendar year.

In accordance with the Restructuring Settlement and applicable provisions of the Electric Restructuring Act, Boston Edison is hereby requesting approval of the following tariffs, effective January 1, 2001:

BOSTON EDISON COMPANY

REVISED TARIFFS

<u>Rate Schedule</u>	<u>M.D.T.E No.</u>
Residential Rate R-1	932
Residential Rate R-2	933
Residential Rate R-3	934
Optional Time of Use Rate R-4	935
General Service Rate G-1	936
General Service Rate G-2	937
General Service Rate G-3	938
Optional Time of Use Rate T-1	939
Time Of Use Rate Rate T-2	940
Street Lighting Rate S-1	941
Street Lighting Energy Rate S-2	942
Outdoor Lighting Rate S-3	943
MWRA Rate WR	944
Default Service Adjustment Provision	945
Standard Offer	946

In support of the Company's Transition Charge Reconciliation Filing, and the accompanying proposed tariff changes, Boston Edison has enclosed the prefiled testimony and exhibits of Bryant K. Robinson, Henry C. LaMontagne, Rose Ann Pelletier and Robert H. Martin. Mr. Robinson's testimony provides a description of the methodology used by Boston Edison to reconcile the Company's forecast of Transition Charge revenues and transition costs. Mr. LaMontagne's testimony describes the proposed rate changes, how the reconciled Transition Charges will be implemented and what their impact will be on customers' bills. Mr. LaMontagne also provides an exhibit showing the proposed tariff changes in red-lined format showing changes from current tariffs. Ms. Pelletier's testimony addresses the reconciliation of Standard Offer and Default Service costs and revenues. Mr. Martin's testimony describes the Company's procurement of supplies for Standard Offer and Default Service and efforts to mitigate its transition costs to the maximum extent possible, consistent with the Act and the Restructuring Settlement as approved by the Department in D.P.U./D.T.E. 96-23.

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Any correspondence with regard to this filing should be directed to the following:

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Thank you for your attention to this matter.

Sincerely,



William S. Stowe

Enclosures

cc: William H. Stevens, Hearing Officer
Paul Afonso, General Counsel
Service List, D.T.E. 99-107
Restructuring Settlement Agreement Signatories